

Minutes of the Personnel Committee

Tuesday, September 16, 2008

Chair Schellinger called the meeting to order at 1:00 p.m.

Present: Supervisors Tom Schellinger (Chair), Jim Behrend, Dave Falstad, Ted Rolfs, Steve Wimmer, and Pete Gundrum. **Absent:** Jim Heinrich.

Also Present: Chief of Staff Mark Mader, Risk/Purchasing Manager Laura Stauffer, Principal Risk Management Analyst Mark Jatczak, Budget Manager Keith Swartz, Labor Relations Manager Jim Richter, Employee Benefits Administrator Pete Hans, Principal Human Resources Analyst Deb Kneser, and Principal Human Resources Analyst Terri Sgarlata-Lutz. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of 8-19-08

MOTION: Wimmer moved, second by Falstad to approve the minutes of August 19. Falstad asked that a correction be made on page 2. Motion carried 6-0 as corrected.

Schedule Next Meeting Dates

October 7, 14 and 21 (all meetings start at 1:00 p.m.)

Executive Committee Report of 9-16-08

Schellinger said the committee reviewed the capital projects plan.

Six-Month Report on Worker's Compensation Claims

Stauffer gave a brief overview of Worker's Compensation and distributed copies of "Waukesha County Worker's Compensation Experience Modification." Stauffer went on to discuss their report entitled "Waukesha County Worker's Compensation 2004-2008 Claims History Summary." A total of 59 claims opened by the end of the second quarter of 2008 and 30 remained open. The total incurred was \$280,159. Since 2004, 557 claims were opened, 47 remained open, and the total incurred was \$2,972,795. Staff went on to review some of the larger claims that have opened and closed.

Annual Update on Grant / Sunset Positions

Swartz discussed his report as outlined entitled "Sunset Position Changes from the 2007 Annual Report as of August 2008." Swartz said there are a total of 62 full-time, 10 part-time, and 6 temporary extra help positions that have been created over many years. Sunset positions are not funded by County tax levy but by state or federal grants, contract revenue, or user fees. If the funding source is reduced or eliminated, the positions are reduced or eliminated accordingly.

Educational Presentation on the Lifestyle & Wellness Program

Richter said he and Hans will be discussing some programs they hope to bring forward next year and change the way we establish the health insurance fund. Those dollars will be placed in an internal service fund, a proposal that will be brought forward as part of the budget process. This

fund will include various components: health insurance, retiree health insurance, dental insurance, and the new Lifestyle & Wellness Management component.

The Lifestyle & Wellness Management Program is a long-term business strategy to address health care costs. The focus is on early intervention of risk factors and the prevention of chronic medical diseases. Benefits include reduced major health expenditures, improved employee productivity, reduced absenteeism, reduced worker's compensation costs, improved employee morale, and enhanced recruitment and retention.

Richter said in 2000, health insurance claims cost us \$7 million. So far in 2008 that figure is \$14 million and next year they are projecting about \$16 million in claims. More than 3,000 employees and their dependents utilize the County's health insurance plan. We are not a young work force and the average age of a County employee is 46. Including dependents, this number is 35. The top five medical expenses which account for 53% of the claims dollars are musculoskeletal, heart disease, cancer, injury and poisoning, and digestive system. Many of these are impacted by lifestyle. Since 1999 the County has made incremental changes to the health plan whereby the employee is responsible for more of the cost. Providing a Lifestyle & Wellness Management Program will help manage these costs.

Hans said spending money on this program will save more money later and this type of program is, for the most part, industry standard. Richter said these are long term strategies and they want to help employees identify their risks early on. The model being used nationwide involves engaging employees to change their lifestyle behaviors: smoking, nutrition, and exercise are major. Hans discussed why increasing deductibles and out-of-pocket maximums for employees won't solve the problem. Developing chronic diseases down the road will cost a lot of money, a lot more than a \$500 deductible.

Richter said we will continue to support those employees that make healthy decisions but it's that 60% of our workforce that we don't know anything about. We do know we have a sedentary workforce and the average age of our employee will continue to skew a little bit older. We also know that the majority of our employees utilize the County's health insurance. What we don't know is how many people are overweight, how many smoke, what their physical activity level is, what their stress levels are, etc. Richter noted this program will offer tools and resources to address these lifestyle issues. It will determine what kinds of programs people are willing to participate in and provide them with the proper resources. Staff will establish benchmarks, determine return on investment, and evaluate and measure program success. Richter said it will be important to build a level of trust with the employees.

Richter said through a request for proposal process, eight or nine vendors submitted proposals. The evaluation committee went through an extensive process before picking eCare Solutions – Lifestyle and Wellness Systems, the highest rated proposer. The 2009 program proposal with eCare includes health risk assessments for individuals, biometric screening, coaching, tools and resources via the Personal Health Desktop, data analysis and measurements, consulting and program development, and incentives to participate.

The 2009 budget will include a proposal of \$178,000 for the operation of the Lifestyle & Wellness Management Program. The major wellness program components are wellness consulting/Administration/website/reporting (\$104,000); employee participation incentives (\$50,000); major program costs (smoking cessation, weight loss, fitness challenge) (\$16,500); and miscellaneous (printing, postage) (\$7,500). The budget assumes 525 participants, which equates to \$95 in incentives per participating employee over the course of the entire calendar year. Examples of employee incentives include health insurance cost reductions, flex spending plan contributions, cash, gift cards, lottery drawings, fitness and lifestyle merchandise, and program discounts.

Schellinger supported the idea but asked how do we justify this to the taxpayers? Richter said we're spending almost \$15 million a year on health insurance claims, all of which is taxpayer money, and the only way we're going to control costs is to stop the heart attacks, prevent cancer, etc. and prevent the big claims. Without this we're going to continue to pay claims. Hans said the vendor has a return on investment tool for us and is based on national studies including what the savings would be. Hans noted that everything they've read says the return on investment is three years - \$3 saved for \$1 spent. Schellinger asked how much money they expected to request overall for this program. Richter said over the course of three years they expect to request about \$500,000. This equals about 1% of our total health insurance claims dollars. National companies are doing this as well as small companies and if it didn't work, they wouldn't do it. Schellinger said giving people incentives for things they should be doing in the first place didn't make sense. Hans said nothing else works. This program is a small investment, compared to the costs, and it has the greatest potential to help rein in our health care costs. Richter said without the incentives you won't get the higher risk employees to participate.

Gundrum spoke in support of this program and was glad to see it has finally been introduced here in Waukesha County. It is definitely a great investment for the taxpayer. Rolfs agreed and has seen how well it works. He felt the incentives were the keys to success.

Closed Session

MOTION: Wimmer moved, second by Behrend to go into closed session at 2:24 p.m. in accordance with Section 19.85 (1)(e) Wis. Stats. for the purpose of discussing collective bargaining issues, and to approve the closed session minutes of previous meeting(s). Motion carried 6-0.

MOTION: Behrend moved, second by Rolfs to return to open session at 2:48 p.m. Motion carried 6-0.

MOTION: Rolfs moved, second by Wimmer to adjourn at 2:48 p.m. Motion carried 6-0.

Respectfully submitted,

Approved on:_____

Ted Rolfs
Secretary